

**INDIANA STATE BOARD OF ACCOUNTS
COMPUTERIZED ACCOUNTING SYSTEM REQUIREMENTS**

Description	YES	NO
AREA: APPLICATION AND OPERATING SYSTEM REQUIREMENTS		
A. Does the system provide extensive data editing and change capability upon input and before a transaction is posted to an account, but no ability to change data after it is posted? If an error is discovered after the transaction is posted is a separate correcting transaction required?		
B. Does the system provide a detailed transaction history, similar to a manually posted ledger page, supporting each account?		
<p>C. Is access to application functions and to information on the computer protected through unique user identification codes and passwords for each user of the system?</p> <ol style="list-style-type: none"> 1. Is each user required to have a unique user identification code and password? 2. Are passwords required to be changed every 30 days? 3. Are passwords required to be a minimum of 6 characters in length? 4. Are passwords required to be a combination of alphabetic and numeric characters? 5. Are passwords for a user identification code required to be different than the last 3 passwords used by that user identification code? 6. Do individuals assign their own password? 7. Are passwords encrypted while stored on the computer? 8. Are user identification codes and passwords kept confidential within the computer system? 9. Are users other than System Administrators and Security Administrators prevented from accessing sensitive operating system commands? 10. Are users restricted from being active on multiple terminals at the same time with the same user identification code? 11. Are user identification codes deactivated after three unsuccessful attempts to sign on to the computer? 12. When a user signs on the computer is the last attempted sign on for a user identification code displayed? 13. Are users automatically prevented from accessing a terminal after 15 minutes of no activity until the user password is entered? 		

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(Continued)**

Description	YES	NO
AREA: APPLICATION AND OPERATING SYSTEM REQUIREMENTS (Continued)		
<p>14. Are users prevented from updating operating system and application program files?</p> <p>15. Are users prevented from accessing accounting information except through authorized transactions within the computerized accounting application system?</p> <p>16. Is the reporting of security parameters and user access rights to computer files available and easily understood by Field Examiners during the course of a regularly scheduled audit?</p> <p>17. Do these security parameters and user access rights enforce adequate segregation of duties for the accounting system?</p> <p>18. Can user access rights be eliminated or revised upon termination of employment and transfers of employee responsibility?</p> <p>19. Are computerized audit trails protected from modification and destruction?</p>		
D. Does the system automatically foot and cross-foot all accounts and report an out-of-balance condition?		
E. Does the system compare, in total, related data items in different files and report an out-of-balance condition? For example, a system should have an accounts receivable control total which balances to the sum of the individual accounts receivable transactions.		
F. Does the application prevent direct update access to data via the operating system?		
G. Are application or operating system controls in place to assure that data files can not be updated with common applications including ASCII editors, spreadsheets, word processors or database systems (dBASE, Access, etc.)?		
H. Does the system have accounting period control? The user should be able to post transactions for the next period before the current period is closed. However, the user should not be able to post transactions to a period after it has been closed.		

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(Continued)**

Description	YES	NO
AREA: APPLICATION AND OPERATING SYSTEM REQUIREMENTS (Continued)		
I. Does the system generate a date of entry that is system controlled and which can not be modified by the user? If needed, the system may provide an additional effective date of transaction that is user controlled.		
J. Does the system auto-forward month end and year end balances to the beginning of the next month/next year without the ability to modify?		
AREA: AUDIT TRAILS		
A. Printing of receipts requirements: <ul style="list-style-type: none"> 1. Does the system control the receipt numbering? A sequential numbering scheme is required. 2. Does the system generate the posting date of the receipt transaction as the date it is entered into the system? 3. Once posted, can the receipt transaction be voided, but not modified? 4. Does the system readily identify reprinted receipts as a copy? 		
B. Printing of checks requirements: <ul style="list-style-type: none"> 1. Does the system control the check numbering? A sequential numbering scheme is required. 2. Does the system generate the posting date of the check? 3. If the system generates signatures on checks, do controls exist to ensure signatures are authorized? 		
C. Does the system create an audit trail of budget transactions? Does the audit trail include detail transactions for: <ul style="list-style-type: none"> 1. The original budget? 2. Additional appropriations? 3. Transfers? 4. Encumbrances? 		

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Description	YES	NO
AREA: AUDIT TRAILS (CONTINUED)		
<p>D. Reports</p> <ol style="list-style-type: none"> 1. Do reports contain the unit's name, report title, information date, run date, page number, and columnar headings on each page. Reports should have two dates as defined below: <ol style="list-style-type: none"> a. The information date, which could be an "as of date" or a "period date". (i.e. Balances as of December 31, 1999 or Transactions for the period of January 1, 1999 to December 31, 1999) b. The run date is the date the report was generated. 2. Do the system-generated reports display in the heading any parameters used to produce the report? For example, if a report is run for selected funds, it should be easily identifiable. 3. Are users prevented from editing data within system generated reports and checks? For example, the user should not be able to generate a report, and then modify the data prior to printing. 4. Is all information required to be reported on Prescribed Forms, as documented in the <u>Accounting and Uniform Compliance Guidelines Manuals</u>, reported by this application system? 		
AREA: INPUT CONTROLS		
A. Do edits exist within the computer application system to check for the reasonableness of the input data with regard to some set of preestablished boundaries? For example, month number is in the range of 01 through 12.		
B. Do edits exist within the computer application system to assure all required fields in a record contain information?		
C. Do edits exist within the computer application system to test the data for blanks, sign (plus or minus), numeric or alphabetic, and compare that with a pre-established criteria?		
D. Do controls exist within the computer application system to control the input of data by checking for completeness? For example, the zip code field should be full, and it should contain numeric data only.		
E. Does the computer application system prevent users from having the capability to override edits within computer programs?		

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(Continued)**

Description	YES	NO
AREA: ERROR CORRECTION AFTER POSTING		
A. Is a reversing transaction required to eliminate the effect of an error on a value, and is the original transaction, reversing transaction, and correcting transaction retained within the system?		
AREA: INTERFACE CONTROLS		
A. When information is generated in one computer application system and transferred to another computer application system are control reports of the number of records transferred and accounting value totals provided to assure accurate and complete transfer of information?		
AREA: SUMMARY		
Does this accounting application and operating system satisfy all requirements of the Indiana State Board of Accounts Internal Control Requirements for Accounting Systems, Information Technology Services Controls as documented in the <u>Accounting and Uniform Compliance Guidelines Manual</u> ?		

I certify that the above information is true and correct to the best of my knowledge and belief.

Signature

Date

Printed Name

Computer Application System Name

Title

Company Name and Address

() _____
Telephone